REMARKS

Claims 1-31 are pending in the application. Claims 11-20 are amended to cover statutory subject matter. New claim 31 is also added to the application.

No new matter has been added to the application by way of these specification and claim amendments.

I. THE SECTION 101 REJECTION OF CLAIMS 11-20

The examiner rejected claims 11-20 for claiming non-statutory subject matter.

The examiner's rejection is overcome by amending claims 11-20 to define statutory subject matter.

II. THE ANTICIPATION REJECTION

The examiner rejected claims 1-2, 4, 6-7, 9, 11-12, 14, 16-17, 19, 21-22, 24, 26-27 and 29 for being anticipated by the Chao article. All of the rejected claims are novel and are patentable at least because Chao does not disclose the features of independent claim 1 steps f) and g) as well similar features in independent claims 11 and 21.

Claim 1 step f) is directed to a step of "transforming importance – distinguished areas to correspond to location and number of scales in the wavelet transformation". The examiner takes the position that paragraph 0079 of Chao discloses the subject matter of step f). The cited paragraph of Chao, however, does not disclose this step. Chao paragraph 0079 instead teaches that "quadrants having a high variance in wavelet values can be allocated a finer mesh size for quantization, while those quadrants with smaller variances will be assigned fewer levels of quantization". This Chao excerpt from paragraph 0079 actually discloses quantization on variance within the image. In contrast, in the presently claimed invention, quantization is based upon importance-distinguished areas. By using variance as a measure of the mesh size that is to be applied, the Chao method will tend to retain information related to the most detailed parts of the image. This is not always desirable as often, the most detailed parts of the image are noise which is not required to be processed at high quality. This problem is avoided by applicants transforming step f).

Chao also does not disclose the claim 1 step g) operation of "establishing a wavelet

coefficient threshold in forming a reduced wavelet image by discarding wavelet coefficients which both correspond to image areas of relatively lower importance and are below the said threshold". The examiner cites Chao paragraph 0043 for disclosing the step of claim 1. However, Chao paragraph 0043 only refers to resetting coefficients if they are below a given threshold. There is absolutely no mention in Chao paragraph 0043 of areas of relatively lower importance.

For each of the reasons recited above, independent claim 1 is novel and patentable over Chao. The claim 1 novelty positions presented above apply equally to independent claims 11 and 21 which share elements corresponding to those of claim 1 steps f) and g) as well as to claims dependent upon claims 1, 11 and 21. As a result, all of the claims rejected by the examiner for lacking novelty over Chao are patentable for at least each of the reasons recited above.

III. THE OBVIOUSNESS REJECTIONS

The examiner rejected a variety of claims for obviousness using Chao as the primary reference in combination with a variety of secondary references. Each obviousness rejection is traversed on the basis that independent claims 1, 11 and 21 are novel over Chao, and therefore, any claim dependent upon allowable claims 1, 11 and 21 are allowable by virtue of their dependency. In particular, claims 3, 13 and 23 are nonobvious and patentable over Chao in view of Rabbani. Claims 5, 16 and 25 are nonobvious and patentable over Chao in view of Pearlman. Claims 8, 18 and 28 are nonobvious and patentable over Chao in view of Rege. And finally, claims 10, 20 and 30 are nonobvious and patentable over Chao in view of Shinbata.

Claims 5, 15 and 25 are further independently nonobvious and patentable because Pearlman does not supply the teachings relied upon by the examiner in rejecting the claims for obviousness. Pearlman discusses in the section quoted by the examiner at column 5, line 63 onwards, the sorting of pixels in relation to significance. It is important to note that Pearlman's "significance" has nothing to do with the higher or lower importance of image areas as decided by a user as claimed. Instead, Pearlman uses the equation at column 4, lines 40-45 to assess the pixel or group of pixels "significance" in terms of the encoding. Lines 47-49 of Pearlman also make it clear that this "significance" is a binary manner, and a value of 0 or 1 is given to the pixel(s). Thus, the invention of at least claims 5, 15 and 25 is distinguished from Pearlman on at

least two grounds – the completely different purpose of the "significance test" of Pearlman; and Pearlman's binary significance as opposed to the present invention "plurality of different levels of relatively lower importance" as claimed in claims 5, 15 and 25. For at least this reason, claims 5, 15 and 25 are nonobvious and patentable over the cited prior art.

IV. NEW CLAIM 31

New claim 31 is added to the application. New claim 31 is a combination of the subject matter of claims 1 and 5.

CONCLUSION

All pending application claims are believed to patentable for the reasons recited above. Favorable reconsideration and allowance of all pending claims is, therefore courteously solicited.

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